

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-10 NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02 LAB-04

SIL-01 OMB-01 /065 W

-----102518 081651Z /50

R 072146Z JUN 78

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 0685

INFO TREASURY WASHDC

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EO 11652: N/A

TAGS: EGEN MX

SUBJECT: PRICES IN MAY

1. THE BANK OF MEXICO'S NATIONAL CONSUMER PRICE INDEX AND MEXICO CITY WHOLESALE PRICE INDEX INCREASED 1.0 PERCENT AND 2.5 PERCENT, RESPECTIVELY, IN MAY. THE CUMULATIVE INCREASE FOR THE CPI THUS FAR IN 1978 IS 6.7 PERCENT, AND THAT FOR THE WPI IS 9.8 PERCENT. THE INCREASE OVER THE PREVIOUS 12 MONTHS OF THE CPI IS 17.2 PERCENT, AND 16.3 PERCENT FOR THE WPI. THE MAY INDEX NUMBERS ARE 328.7 FOR THE CPI (100 1968) AND 581.3 FOR THE WPI (100 1954).

2. THE SLOWING DOWN OF THE MONTHLY RATE OF INCREASE OF THE CPI DURING THE FIRST FIVE MONTHS OF THE YEAR IS ENCOURAGING, BUT THE WPI INCREASE IS DISTURBING. IT SHOULD BE NOTED THAT THE AVERAGE MONTHLY INCREASE IN THE CPI FOR 1978 HAS BEEN 1.3 PERCENT, WHICH IS THE SAME AS THE AVERAGE MONTHLY RATE DURING THE LAST THREE QUARTERS OF 1977. WITH THE MONEY SUPPLY INCREASE RUNNING AT A 27 PER-CENT ANNUAL RATE THROUGH MARCH, IT IS UNLIKELY THAT THE AVERAGE MONTHLY RATE OF INFLATION WILL FALL BELOW ONE PER-CENT. IF THE CPI CONTINUED TO CLIMB AT THIS RATE, THE

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INCREASE OVER THE COURSE OF 1978 WOULD BE ABOUT 18 PERCENT, A FIGURE THAT GOM OFFICIALS PRIVATELY ADMIT IS LIKELY, THOUGH PUBLICLY THEY CONTINUE TO TALK ABOUT A 15 PERCENT INCREASE. THEY ALSO ADMIT PRIVATELY THAT FIGHTING INFLATION IS NOT THEIR FIRST PRIORITY. LUCEY

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRICE TRENDS, RETAIL PRICE INDEXES, WHOLESALE PRICE INDEXES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780687/aaaacwhz.tel
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Litigation Codes:
Litigation History:
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Message ID: 25395e90-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
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Review Withdrawn Fields: n/a
SAS ID: 2456169
Secure: OPEN
Status: NATIVE
Subject: PRICES IN MAY
TAGS: EGEN, MX
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/25395e90-c288-dd11-92da-001cc4696bcc
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